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FOR IMMEDIATE RELEASE
TUESDAY DECEMBER 12, 2006
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21 CHARGED WITH PARTICIPATING LOCALLY IN ALLEGED INTERNATIONAL INTERNET-BASED FRAUD SCHEME

CHICAGO – Federal fraud charges were unsealed today against 21 defendants who allegedly participated in an international fraud scheme in which victims were led to believe that they were purchasing items that were listed for sale on the Internet, typically via auctions on eBay, but then did not receive the goods that they paid for. Altogether, the defendants and others allegedly illegally obtained more than \$5 million, which was collected mostly in the Chicago area over the last three years from more than 2,000 victims from across the United States and abroad as part of an Internet-based scheme that originated in Romania. Of the 21 defendants, 8 were arrested early today in the Chicago area, while 5 others were already in custody, one will surrender later, and the remaining 6 are fugitives, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois.

Each of the 21 defendants was charged with one count of wire fraud in a complaint that was filed yesterday and unsealed today. Those arrested this morning in the Chicago area were scheduled to appear beginning at 2:15 p.m. today before U.S. Magistrate Judge Maria Valdez in U.S. District Court in Chicago.

“This case is an example of using new technology to commit an old-fashioned fraud scheme,” Mr. Fitzgerald said. “There is no refuge in cyberspace for those who use the Internet to cloak and facilitate criminal activity as law enforcement is becoming ever more adept at investigating cybercrime.”

Mr. Fitzgerald announced the charges together with Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation, Elissa A. Brown, Special Agent-in-Charge of the Chicago Office of Immigration and Customs Enforcement (ICE), and Superintendent Philip J. Cline of the Chicago Police Department. The investigation is continuing, they said.

Anyone who believes they may have been a victim in this matter may e-mail inquiries to usain.victim.witness@usdoj.gov – please include your name, address and phone number, the 10-digit Western Union Money Transfer Control Number (MTCN), the amount transmitted, the date the funds were provided and the name of the individual to whom the funds were sent. Victims may also call a toll-free hotline number for updates about the case – (866) 364-2621.

The law enforcement agencies investigated a large volume of complaints and reviewed records from Western Union and currency exchanges of more than 2,000 wire transfers of funds believed to be related to the alleged fraud scheme between November 2003 and August 2006. Generally, victims who bid unsuccessfully on items were led to believe that they were being given a “second-chance” to purchase items and were instructed over the Internet to send money via Western Union to be picked up by the seller or the seller’s agent, generally in the Chicago area. The fraudulent Internet solicitations allegedly originated from, and a substantial portion of the proceeds

– typically 50 to 70 percent – were transmitted to, unidentified co-schemers located outside the United States, most believed to be living in Romania, according to the complaint affidavit.

The affidavit alleges that the 21 defendants charged locally participated in the fraud scheme in the United States by:

- ▶ obtaining multiple alias identification documents to use when receiving fraud proceeds from Western Union or recruiting other individuals to receive fraud proceeds from Western Union;
- ▶ causing the alias names and the names of individuals recruited to receive proceeds to be communicated abroad to the foreign co-schemers;
- ▶ after being provided with such information as the victim's name, address, dollar amount and the unique money transfer control number, receiving, or directing others to receive, fraud proceeds from Western Union agents, typically currency exchanges in the Chicago area; and
- ▶ transmitting, or causing to be transmitted, a substantial portion of the fraud proceeds to the foreign co-schemers, while keeping typically 30 to 50 percent, of the proceeds for themselves.

According to the affidavit, victims of the scheme – approximately 500 of whom have shared information with investigators – sent money via Western Union to a defendant after communicating on-line with someone who claimed that he or she was going to sell them an item that was previously advertised for sale on the Internet. Money was transmitted by victims to defendants, or individuals they recruited, after being identified to the victims on-line as, for example, the “seller,” the “seller’s agent,” or an “eBay agent.” In many instances, victims provided investigators copies of the fraudulent Internet solicitations and other on-line communications with the “sellers.” This material shows that the fraudulent solicitations often shared identical features, such as bogus eBay logos and other graphics, and false assurances that buyers would be protected by insurance and escrow of funds.

By obtaining records of wire transfers from Western Union and currency exchanges, investigators were able to trace many of the individuals who received the payments. For example, individuals presenting themselves as the intended payee of a wire transfer generally were required to present at least one valid identification document to establish their identity, with Western Union maintaining records, and frequently photocopies, of the identification document type and number. A review of these identification documents, along with other identity documents seized by numerous local police departments at various times, allowed investigators to identify dozens of aliases that allegedly were used by the defendants as part of the fraud scheme.

In addition, when the defendants received wire transfers of funds, the paying agents requested that they complete an application in which they provided a variety of personal identifying information, such as name, address and telephone number. This information was retained by Western Union agents on paper and was also maintained by the company in an electronic database. A review of these records revealed numerous instances in which two or more of the defendants provided to Western Union common addresses and telephone numbers, as well as numerous instances in which the defendants picked up fraud proceeds at the same currency exchange on the same day.

The affidavit also alleges that numerous alias identification documents were seized during a March 2006 search of the residence of defendant **Adrian Florin Fechete**, 35, also known as “Ade,” who was then living in an apartment in the 6100 block of North Seeley, Chicago. In addition to Fechete, the other defendants who were already in custody are: **Raimondoray Cerna**, 32, aka “Raimondo,” who was arrested in Hallendale, Fla.; **Ioan Moloman**, 39, who was arrested in

Chicago; **Mihai Panaitescu**, 35, aka “Cactus,” who was arrested in Las Vegas; and **Marian Alexandru**, 39, aka “Panther,” who was also arrested in Hallendale, Fla.

The defendants arrested today are: **Aida Salem**, 40, of Chicago; **Jessie Vega**, 25, of Chicago; **Adrian Ianc**, 32, of Chicago; **Gianina Simon**, 30, of Addison; **Muszka Ladislau**, 32, of Glenview; **Mihai Bledea**, 30, of Chicago; **Radu Rizescu**, 31, of Elk Grove village; and **Igor Ashlan**, 60, of Chicago. Another defendant, **Gary Michael Schneider**, 24, of Chicago, is expected to appear in court voluntarily at a later date.

The following defendants were not in custody by noon today and warrants have been issued for their arrest: **Lucian Nanau**, 42, **Constantin Remus Lucan**, 39, aka “Dorel;” **Stefan Laurentiu Dumitru**, 25, aka “Tica;” **Mihail Eugen Hann**, 29, aka “Copilu;” **Gabriel Constantin**, 38, aka “Armand;” **Bogdan Ganescu**, 28, aka “Boogy;” and **Cristian Bentan**, 31.

The government is being represented by Assistant U.S. Attorneys Brian Hayes and Steve Dollear.

If convicted, each defendant faces a maximum penalty of 20 years in prison and a \$250,000 fine. The Court also must order restitution, and it would determine the appropriate sentence to be imposed under the United States Sentencing Guidelines.

The public is reminded that a complaint contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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